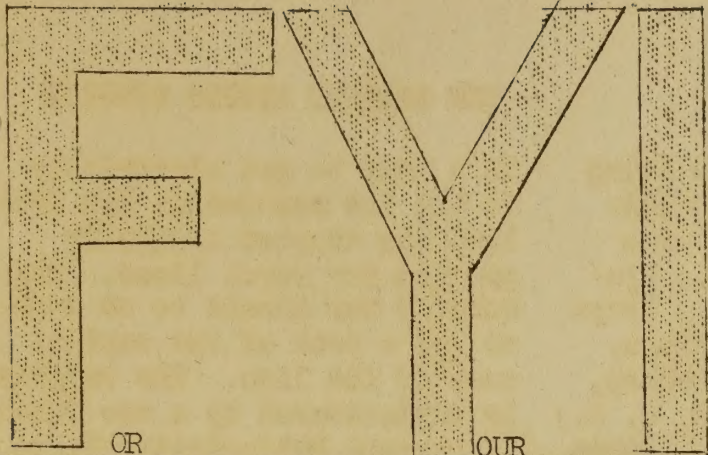


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
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Prepared by the Information Division for the exclusive use of the REA staff

SOME RELIEF FROM DUAL RATES

The Arkansas Power and Light Company has recently lifted the applicability of the high side of its wholesale rate to 100 KW. Formerly the high rate had been charged for all current supplied for non-farm users requiring 40 KW. The company has eliminated the 65% ratchet clause and the 35% annual load factor provision. A 20% discount is now applied to the high rate. These charges will make it possible for REA co-ops buying power from the company to serve more community service establishments without a penalty. The change is a matter of degree; the inherent evil persists.

The effect of the dual rate provisions has not been fully understood. The co-op with headquarters at Augusta, Ark., serves a number of cotton gins. The average rate which it paid for power bought from the Arkansas Power & Light Co. at one point of delivery in a recent month, was 28.7 mills, although the base rate for farm service, the rate which AP&L proudly quotes is less than 6 mills. This was due to the ratchet and annual load factor provisions.

This co-op, which had a hard time getting started, needs to serve areas in which cotton gins and irrigation wells are located; the residents of those regions need the gins and wells in order to conduct their farming efficiently.

A neighboring co-op, older and with fewer community institutions of this sort, averaged 16 mills in the same month, for one point of delivery, for the same reason.

The high rate still applies to all energy required for service to communities which previously had central station service. The obvious effect is to prevent acquisitions of small utility companies. It also prevents cooperatives from serving communities which may decide to own their own distribution facilities and purchase energy at a reasonable rate from the cooperative.

CARRIER TELEPHONES

The first field test of the carrier telephone was ended in November, after nearly a year. Important engineering and commercial information resulted. Part of the test was over REA Co-op lines near Jonesboro, Arkansas.

"UTILITIES PLAN EXTENSIVE RURAL PROGRAM"

The following was distributed by the Columbia Broadcasting System to radio farm editors:

"Farmers in twenty states will profit from the extensive agricultural development program being launched by about thirty-five electric light and power companies. A spokesman for the Edison Electric Institute said this week that power companies are rapidly realizing the part they can play in bringing about more effective conservation of natural resources, acceleration of farm production and greater economic stability for the farmer."

"The program will include more than power sales--soil conservation education, nutrition information and marketing assistance, for example. These non-profit efforts are for the general good of the area, not for any personal or private gain, the industry asserts."

NEWSLETTERS

The new-type newsletters printed by the so-called "offset" method have become very popular in many sections. Most of the old newsletters are continuing in their former dress, but the many new ones are almost all of the new style which permits the use of local pictures. New newsletters are reported almost daily. In Kentucky, for example, the number of such co-op publications increased from 3 to 13 between April and October.

The first commercial installations are now being installed. Nine such installations are on REA-financed lines. The participating co-ops are: Aiken Electric Cooperative of Aiken, S. C.; Lyn-tegar Electric Cooperative of Tahoka, Tex.; Yampa Valley Electric Association, Steamboat Springs, Colo.; PUD No. 1 of Kittitas County, Ellensburg, Wash.; Marion Electric Cooperative, Marion, S. C.; San Luis Valley Rural Electric Cooperative, Monte Vista, Colo.; Big Bend Electric Cooperative, Ritzville, Wash.; Inland Empire Rural Electric, Spokane, Wash.; and Alger-Delta Cooperative Electric Association, Gladstone, Mich.

Present commercial arrangements between the telephone companies and the co-ops are on a very flexible and rather informal basis, pending the approval by REA of a basic contract form for such telephone arrangements.

A Minnesota co-op is launching joint pole use in construction now under way. While less spectacular, this sort of joint use may prove more effective in bringing about substantial extension and improvement of rural telephone service. The Minnesota construction involves some comparatively new construction materials and methods.

## CLARK HILL

REA co-ops in Georgia and South Carolina appeared at a Federal Power Commission hearing in Atlanta in November, strongly supporting the immediate construction by the Federal Government of the Clark's Hill dam.

This dam, proposed to be built across the Savannah River near Augusta, has been approved by Congress after exhaustive studies and reports by the Army Corps of Engineers. It was one of the projects suspended by the freeze order several months ago; and a private power company immediately offered to take over the whole project. This proposal was ardently opposed by many individuals and groups, including some of the most influential Southern newspapers.

Clark's Hill is merely the first of a series of similar developments, from the Roanoke and the James in Virginia around to the Sewanee in Florida and Georgia, which have been tentatively or finally approved. If and when they are completed, they will be interconnected by a transmission grid and will provide power for REA co-ops at rates from  $3\frac{1}{2}$  mills to about 1 cent.

Naturally, the individual components of such a system are being opposed by the power companies, and they have attracted the usual collection of respectable but somewhat shortsighted groups to front for them. By and large, the co-ops understand the simplicity of the basic issues involved and are supporting the proponents of the developments.

In a move to get electricity to all its residents, New Zealand has adopted a subsidy program for rural lines. The subsidy may amount to as much as  $7\frac{1}{2}\%$  a year of the capital cost of the line. The program is administered by a new Rural Electrical Reticulation Board and supported by revenues from other electrical undertakings of the Government.

Including urban dwellers, 96% of New Zealand's people have electricity available.

## MANITOBA CHAIRMAN RETIRES

Herbert C. Cottingham, Chairman of the Manitoba Power Commission and one of the Provincial leaders who studied REA results and procedures before the Manitoba program was launched, has retired from Government Service. He appeared at several co-op meetings in this country.

## HOW MUCH POWER PER FARM?

REA is studying research projects, with a view to recommending one or more to proper Department agencies for field work. One subject receiving attention is the amount of power used on typical farms, with relation to the type of farming, size of farm and similar factors. No comprehensive studies of this subject have ever been made, so far as REA has been able to find out, and even if they had been made they might have been rendered obsolete by the enormous increase in power use in recent years.

